

Evaluating Your Estate Plan:

Vocabulary Matching Exercise

Ag Decision Maker

File C4-50a

In each section of this worksheet are lists of terms and definitions. Match the term to its correct definition within each section of the worksheet. Write the letter of the correct definition next to the number of each term.

Section 1-----

Terms

- _____ 1. Inheritance taxes
- _____ 2. Estate taxes
- _____ 3. Capital gains taxes
- _____ 4. C-Corporation
- _____ 5. S-Corporation
- _____ 6. Partnership
- _____ 7. Limited Partnership
- _____ 8. Long-Term Care (LTC) Insurance
- _____ 9. Term Life Insurance
- _____ 10. Sweat Equity

Definition

- A. association of two or more persons to carry on as co-owners a business for profit, created by an oral or written agreement
- B. has a set duration limit on the coverage period
- C. increased worth of farm or other business created by uncompensated mental and/or physical contributions of participating individual.
- D. paid to the State of Iowa, based on the right of a beneficiary or heir to receive money or property that was owned by another person at the time of death
- E. provides payments for nursing-home, home-health, personal or adult day care
- F. legal entity taxed separately from its owners
- G. imposed by the federal government on the transfer of a taxable estate of a decedent where the value of the estate is over \$5 million
- H. passes through its net profits or losses to the shareholders, any profits taxed at the shareholder level.
- I. business entity distinct from its partners, requires a written agreement and both general and limited partners.
- J. imposed by the federal government on the profit from the sale of capital assets where the asset is sold for more than the acquisition cost

Section 2-----

Terms**Definition**

- | | |
|----------------------------------|---|
| _____ 11. Deed | A. describes the acquisition value of an asset for the purpose of determining a taxable gain or loss |
| _____ 12. Gift | B. first opportunity to purchase a piece of property (usually real estate) when such becomes available |
| _____ 13. Fee simple | C. estimation of value of property by disinterested persons of suitable qualifications. |
| _____ 14. Tenants in common | D. land and its improvements. |
| _____ 15. Personal property | E. amount for which a piece of property (real or personal) would be sold in a voluntary transaction between a buyer and seller, neither of whom is under any obligation to buy or sell. |
| _____ 16. Real property | F. shared ownership of a single property among two or more persons; interests may be unequal, no right of survivorship exists. |
| _____ 17. Fair Market Value | G. items of a temporary or movable nature. |
| _____ 18. Appraised Value | H. property ownership where owner is entitled to the entire property with unconditional power to both use and transfer. |
| _____ 19. Basis | I. written document that conveys title to real estate, when properly executed and delivered. |
| _____ 20. Right of First Refusal | J. a lifetime, voluntary transfer of property (including money) to another person completely free of payment or strings |
-

Section 3-----

Terms**Definition**

____ 21. Estate settlement

____ 22. Executor

____ 23. Administrator

____ 24. Beneficiary

____ 25. Heirs

____ 26. Undue Influence

____ 27. Will

____ 28. Intestate succession

____ 29. Testator

____ 30. Testamentary trust

A. intended to come into existence at death under certain circumstances, provisions contained in an individual's will

B. situation where a person improperly persuades or takes over the mind of another person to make that person's will conform to that of another person.

C. also referred to as probate, settles affairs of a deceased person

D. laws that direct how a deceased's assets shall be divided when the person dies intestate – without a will

E. a person who makes a will

F. also may be referred to as administrator, the person appointed by a court to carry out the instructions found in a will

G. legal document directing the disposal of one's property after death.

H. person named in a will to receive a bequest

I. persons designated by law to receive the property of a deceased person when there is no will.

J. a person appointed by a court to carry out the instructions found in a will; may be called an executor

Section 4-----

Terms**Definition**

- | | |
|-----------------------------------|---|
| _____ 31. Living Trust | A. A person appointed by the court to make decisions about the property of an incompetent person |
| _____ 32. Capacity or Competency | B. A future interest in property held by a remainder person usually following a life estate or term interest |
| _____ 33. Conservator | C. also known as an inter vivos trust, a way of holding property during lifetime |
| _____ 34. Guardian | D. also known as an Advance Care or Medical Directive, sets forth an individual's personal wishes with respect to medical care |
| _____ 35. Life estate | E. conveyance of an interest for the duration of someone's life. |
| _____ 36. Life tenant | F. also known as "Title 19", a government program to assist in providing medical care, available to certain low-income individuals and families |
| _____ 37. Remainder interest | G. to make a will, the person must understand what they own, who is named in the will, and the purpose of a will |
| _____ 38. Living Will | H. written authorization to another to act on one's behalf or as one's agent or "attorney-in-fact" |
| _____ 39. Power of attorney (POA) | I. person appointed by the court to make personal decisions for the ward |
| _____ 40. Medicaid | J. person who holds an estate for the period of their lifetime or that of another specified person. |



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Prepared by Melissa O'Rourke
Farm and Business Management Specialist
morourke@iastate.edu, 712-737-4230

KEY to Legal Terminology – Vocabulary Matching Exercise

SECTION 1 Answers - - -

- 1- D
- 2- G
- 3- J
- 4- F
- 5- H
- 6- A
- 7- I
- 8- E
- 9- B
- 10- C

SECTION 2 Answers - - -

- 11- I
- 12- J
- 13- H
- 14- F
- 15- G
- 16- D
- 17- E
- 18- C
- 19- A
- 20- B

SECTION 3 Answers - - -

- 21- C
- 22- F
- 23- J
- 24- H
- 25- I
- 26- B
- 27- G
- 28- D
- 29- E
- 30- A

SECTION 4 Answers - - -

- 31- C
 - 32- G
 - 33- A
 - 34- I
 - 35- E
 - 36- J
 - 37- B
 - 38- D
 - 39- H
 - 40- F
-